

# CEMS Work Project

Education First – Improving EF Portugal’s Distribution Channels



*Education First*

<b>University</b>	Nova School of Business & Economics
<b>Academic Program</b>	MSc in Management
<b>Academic Advisor</b>	Afonso Mendonça dos Reis
<b>Date</b>	May 20, 2016
<b>Author</b>	Valentina Sofijanic
<b>Student number</b>	2236



A word cloud for EF Education First. The most prominent words are 'Education first' in a large, dark blue font at the bottom. Above it, 'EF' is written in a large, dark blue font. To the left, 'Education' is written vertically in a large, dark blue font. Other words include 'Teachers', 'Learning', 'Schools', 'Partnership', 'Language', 'Customer', 'Parents', 'Teaching', 'Students', 'Social media', 'Afonso', 'Junior', 'Value', 'Experience', 'Portuguese', 'Portugal', 'Kids', 'Rogier', 'Lucia', 'Safety', 'Abroad', 'Dean', 'Valentina', 'Portuguese', 'English', 'NOVA', 'Constança', 'Cambridge', 'Malta', 'Children', 'Consumer', 'Fun', 'CEMS', and 'Corner'. The words are in various sizes and orientations, creating a dynamic and informative visual.

## **ABSTRACT**

### **Education First – Improving Portugal’s distribution channels**

Despite high investments in improving the conversion rate, EF Portugal failed to successfully communicate the value proposition to its Portuguese customers which consequently led to bottlenecks in the access to distribution channels. A new value proposition was formulated as well as a set of pilot solutions to transmit the new value proposition (partnerships, digital marketing fine tuning, operational targeting of customers) in order to mediate the bottleneck. The problem and solutions are followed by an academic discussion in order to further deepen the context EF Portugal was in. Finally, a personal reflection paragraph is presented at the end of the report.

**Keywords:** Education First, marketing strategies, value proposition, brand awareness

## **CHAPTER ONE: THE CONTEXT**

### *About Education First Portugal*

Founded in 1965, in Sweden, EF Education First (hereafter referred to as EF) is an international education company that offers language courses in the country where the language is originally spoken. Located across the globe, their language centres offer intensive language instruction in English, Spanish, French, German, Italian, Japanese and Chinese and have a mission of “opening the world through education”. Courses run from 2 to 52 weeks for students traveling independently or in escorted groups of all levels and abilities. EF Portugal, created in 1991, is a subsidiary of EF global and is limited to marketing, distribution and logistics activities, since EF does not have in its offering the option of learning European Portuguese in Portugal.

### *Market overview and macro trends in Portugal*

EF targets children from the age of 10 until they graduate from secondary school, students intending to do gap years before going to university, university students and workers who need to learn a foreign language (for the full list of options, see Appendix I – Product Offering). In terms of market size, EF Portugal’s offerings can appeal to 1,930,645 enrolled students out of which 767,872 are enrolled in a primary school, 766,172 are enrolled in a secondary school and 396,601 are enrolled in some sort of post-secondary education (Ministry of Education, 2015). In terms of working adults, approximately 4,5 million are employed and 0,5 million unemployed (2016) which can be targeted by EF. The new trends in the market (political, social and economic impact of globalization and new demands of the labor market) have changed the perspective on the role of foreign languages and has made learners now seek fast, timely and practical solutions, which diverge significantly from school’s traditional teacher-directed curriculum. Portugal ranks low in comparison to other EU member states in terms of foreign language education: as of 2013, the second most studied language is English (34,7%), followed

by Spanish (0,1%) whereas the EU average is 81,7%<sup>i</sup>. Given the recent changes in the law which made English language a mandatory curricular requirement, as well as the recent economic developments in Portugal (namely boost of tourism, exports and nearshoring<sup>ii</sup>), English language has experienced a boom, but so have other languages. Nowadays, the Portuguese parents are more likely to send their children abroad to study a foreign language (or send them to international schools) and are fostering multiculturalism as the new “curricular must have” in the world of today<sup>iii</sup>. These changes represent an opportunity for EF to explore the market potential, as more and more people find value in EF’s offering.

### *Current situation of EF Portugal*

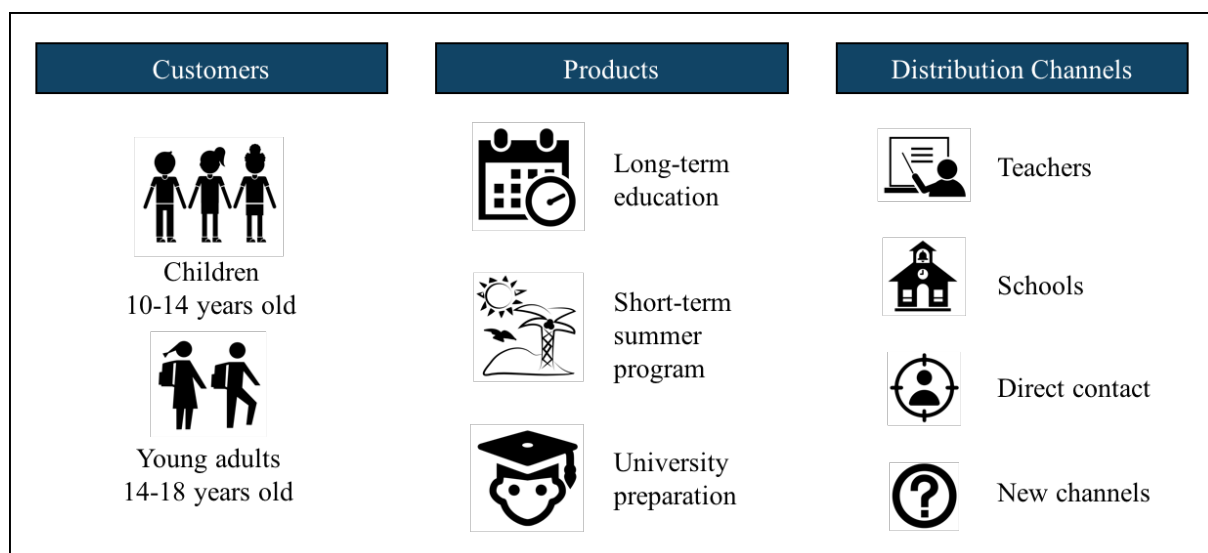
EF’s final customers in Portugal are mainly individual students that go abroad to learn a language, and to reach them, EF uses different distribution channels: schools (primary, secondary, language schools), universities, companies, teachers and direct (through online – paid search and social media – and offline – mailing physical brochures through post – distributions). Currently, the Portuguese branch faces a difficult situation in the local market that does not compare with its success in other markets (Education First, 2016). EF Portugal identifies five direct competitors (Ciling, MultiWay, Information Planet, AFS, VidaEDU and internationally Kaplan) which offer a cheaper alternative, and a wider product offering (au-pair jobs and internships). EF’s indirect competitors are language schools with reputation (Alliance Française, Goethe Institute, Instituto Cervantes and others), which are costly, do not contain any cultural immersion, but have the reputation to be effective. EF faces a number of substitutes: holidays, extracurricular activities, camps which occupy a share of the wallet and time but do not offer however an educational component. For a more detailed information on EF’s customers, key partners, segments, channels, activities and the value proposition see Appendix I - Business Canvas.

## *The Business Project Challenge*

The focus of the project relies on providing the company with new marketing strategies for them to better navigate through the different distribution channels. Each distribution channel faces a challenge for which the business project intends to identify the bottleneck and propose new solutions and test them, if possible. The schools and universities see EF as purely commercial company and does not allow any kind of commercial activity inside; the partnership with companies is underperforming as the employees are saturated by offers they receive from partners; direct advertising only marginally attracts potential customers; teachers, as main advisors of students, are not aware of EF and do not wish to make recommendations about EF to students.

## *Project focus*

The project will focus on the largest customer group between 10 and 18 years old, and the distribution channels for that segment, given time and resource constraints, whereas universities and companies' channels will be disregarded due to small contribution in revenue (see figure).



*Figure: Business project focus area*

## **CHAPTER TWO: THE PROBLEM AND THE SOLUTION**

### *Problem definition*

On the first glance from the conversation with the current country manager, the bottleneck of sales process is not the access to the distribution channels but the lack of a compelling value proposition. The commercial perception of the approach to clients, perception of the price as too high, no strategy focus (testing of many solutions just to reach clients and push the offering to them) and the low conversion rate are all symptoms of a higher-level issue. Since EF Portugal is a low-key subsidiary, it does not have a say on the Price and Product part of the Marketing Mix. However, it can influence the Promotion and Place part, which are going to be built upon the value proposition. In that light, a problem question has been created:

*“How can EF Portugal improve existing, or create new distribution channels in order to better reach out to their target consumer and customer and obtain a higher conversion rate in sales?”*

### *Methodology*

The research consists of two phases; qualitative exploration and quantitative validation. In terms of qualitative exploration, we held company meetings, visited the EDUx fair and conducted exploratory interviews with teachers and deans, alumni and former employees. In terms of quantitative validation, we conducted a survey among current customers and alumni in order to test the assumptions (n=72). Finally, the data were translated in workable (potential) solutions, of which the results will serve as final validity check.

### *Hypothesis:*

***EF Portugal can improve existing and create new distribution channels by building a compelling value proposition, by differentiating between consumer and customer and operationally targeting them, by increasing brand awareness through partnerships, and by solving digital marketing problems.***

## *Analysis*

According to Porter (Porter, 1996), having a clear value proposition and communicating it in an effective and consistent way is crucial in obtaining a competitive advantage. The results of our research show that EF's core values consist of *high quality language education, assuring a great experience abroad* and delivering a *complete package* that prioritizes *good care, well-being* and *safety* for their customers. However, such a **value proposition is not explicitly articulated, neither communicated in a complete and consistent manner**. There is a serious mismatch in brand identity and consumer perception – brand is perceived as commercial, it is in the same frame reference as local competitors (despite its international reputation), and brand perceived as very expensive. Schools perceive EF as commercial organizations not allowed within schools which makes it hard to establish a partnership (they are saturated with the push strategy). The teachers do not have a high willingness to cooperate because of the promotional gap in buyer's journey despite the potential interest. In terms of consumers, education and language are increasingly becoming important but brand values are unknown, so EF is not considered. This is visible for example, in the failure of the digital marketing efforts (i.e. Facebook competition) intended to increase brand awareness. They fail to convey EF's true value proposition since they are not directly related to EF value. The gap between the EF identity and image blurs the premium potential of the brand.

The second general finding is that EF Portugal currently **does not distinguish clearly the consumer from the customer** and there is an inconsistency in the way EF targets the desired audience. At the moment, the promotional tools (flyers, pamphlets, booklets, etc.) are not adapted to target different audiences, and they are usually target the final consumer which is child or youth. That is, most of the promotional tools target youth by communicating a sense of adventure, journey, and exploration abroad. However, youth is mainly the consumer of the product but most of the time is not the customer – the customer in this case being the one who



is paying for the purchase. The survey has shown that parents very often take the purchasing decision, and pay for the course. According to The Buyer's Journey framework, every potential buyer goes through 3 phases: *awareness*, *consideration*, *decision* and it has to be noted that EF should target the relevant stakeholder for each of the steps by replacing push with pull strategy. As the link between consumers and customers is not clear, there is automatically an insufficient operational targeting of customers. The marketing strategy to target the end customer, in most cases parents, has to be refocused. The interviews and EDUx feedback demonstrated that parents have 2 important roles: initiators and final decision makers. Nonetheless, the current communication strategy of EF is oriented to youth. There is clearly a gap in this situation since EF should also be targeting parents as a channel. Low cooperation with channels opens a gap for a potential solution.

Another problem identified is **brand awareness and commercial image**. Brand recognition, or the link from brand to the category ("name the category EF belongs to") for EF is low. People who did not participate in an EF experience did not know which category EF belongs to. However, those who did go on a language course exchange, recall EF as a provider of this service, whether they booked with EF or not. In terms of brand recall, or the link from the category to the brand ("name a brand that offers language courses abroad"), is high for those who participated in the experience, given that brand recall is driven by experience as language exchange is a durable good. Exposure in this sense does not help brand recall. The mismatch between the awareness and the investment in raising awareness can be explained by the type of the promotional activity (push) and the goal to attract customers because of quality, flawless offering and educational benefit.

EF also faces **problems regarding the digital marketing**, which, although expensive does not offer good returns (conversion rate from 1 to 3 percent). The main goal of Facebook advertising campaigns is to increase brand awareness (by exposing the brand to potential customers using

the different touchpoints of the target market) and brand image (by communicating the important aspects of the value proposition to the different customer segments). Logically, an increase in the former will increase the effect of the latter. In case of Education First, campaigns mainly focus on conveying the value proposition (for example, through the alumni campaign). Brand awareness campaigns (such as the GoPro contest) have been scarce and ineffective (EF currently has only 28.000 likes, and campaigns have neither been shared nor liked frequently). Also, these campaigns took up a lot of time from the EF workforce (a telephone number was provided in the ads, leading to many phone calls of people interested in the prize, with low conversion rates). Hence, the potential of Facebook in terms of creating awareness and communicating EF's value proposition to important target groups is not fully exploited.

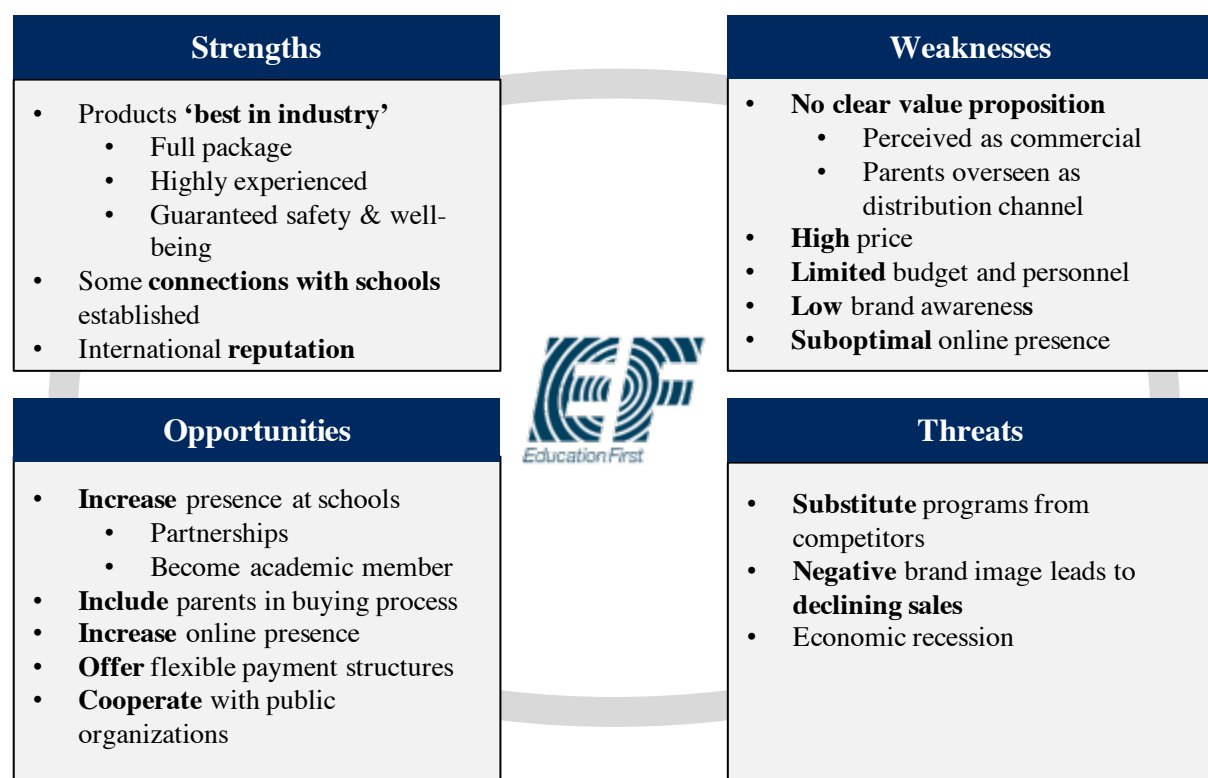
Google AdWords is another misused tool of raising brand awareness and stimulating sales. Currently, EF is using Google AdWords to target Portuguese customers. However, cost efficiency is not optimal. Based on a trial & error approach, the most obvious keywords were tested. EF's range of products is clearly upstream and its value proposition, which defends an innovative culturally immersive education, clearly targets people that look for language courses abroad. In that sense, local language centers should not be seen as competition and "estrangeiro" or other possible synonyms have to be always considered as relevant keywords. If a user searches on Google "cursos de línguas", "aprender línguas" and any imaginable synonyms, EF's paid ads come always on top. However, the key aspects of EF's value proposition – going abroad – are not included in these queries. The second search allowed to notice that EF Portugal is also disregarding certain obvious keywords that could certainly attract potential customers within the niche market they're working in. Although their target market resides in Portugal, it doesn't mean that the keywords covered should only come in Portuguese. Portuguese candidates looking to learn a specific language abroad might make the search in the wanted language rather than in Portuguese. And if a search is made using

keywords like “learn languages abroad”, “learn English abroad”, “language courses abroad” or any related synonyms, EF doesn’t show up amongst the paid search ads. Hence, this offers room for improvement.

### *Recommendations to the company*

The first part covers a general set of recommendations, including the definition of EF’s value proposition and target group. The second part describes workable solutions that can be implemented in the short term.

First of all, EF needs to develop a **compelling, clear and consistent value proposition** that can be communicated to (potential) customers through the various distribution channels. In order to build a strong value proposition, a SWOT analysis is conducted.



As can be derived from the analysis, EF has the following core competencies: they are number one in education abroad, they offer international experience, development and fun and they offer a full package, well-being, safety and quality. As emphasized before, in order to be

successful, it is important to communicate its strengths to their target customers, through all possible distribution channels. Therefore, based on the conversations with the EF representative and our primary and secondary research, we propose the following value proposition:

*“Education First Portugal understands the value of language education and the multiculturalism of the world of today. Therefore, it strives to offer its customers a unique and complete package that guarantees high-quality language education, and international and multicultural development, while always assuring satisfaction, well-being and safety for all of its participants. Its international reputation and excellence make EF superior to its competitors.”*

Second of all, there should be a **clear distinction between consumer and customer**, as different people should be targeted along the Buyer’s Journey. The table below was created using the output from the survey. The three step approach should be followed: define the target, define the customer and the values for consumer and customer.

	EF Junior Courses (10-12)	EF Junior Courses (13-17)	Language courses (16-25)	Long-term English improvement
<b>Idea generator</b>	Parent	Child	Youth	Youth or parent
<b>Consumer</b>	Child	Child	Youth	Youth
<b>Customer</b>	Parent	Parent	Youth or parent	Youth or parent
<b>Decision maker</b>	Parent	Parent	Youth or parent	Youth or parent

As it is visible here, EF should target different stakeholders at different stages of the process. For instance, for young children, it is crucial to make a link to the final buyer who are the parents (guarantee of safety, promotional material directed to adults). For youth, on the other hand, the promotional materials should be directed to them, as they are usually the idea generators and sometimes even the ones who pay for the product. The solution encompasses a key-note guest speaker at school information sessions that will tell about the importance of learning a new language and the benefits it has in one’s career<sup>iv</sup>. During information sessions,

EF's most important stakeholders are in the same room to talk about the progress and academic development of their children. Therewith, this solution consolidates the distribution channels of parents, schools, teachers and children, and aims to convey the value proposition in a clear and effective matter. The goal is to differentiate EF in the customer's mind and create enthusiasm about its products. For this solution to be most effective, the different stakeholders have to be addressed in a different way.

Furthermore, EF could retrieve significantly more value from **digital marketing** in the Portuguese market than it currently does. In terms of AdWords, we propose to include queries with EF core values both in English and Portuguese, build compelling ads in line with what different stakeholders value, in order to attract quality leads rather than quantity ones. This will increase online hit rates due to cost-efficiency and time-efficiency. The preparation time is assumed to be inferior to one week and immediate applicability is possible. This solution was partially implemented, and the focus was not on the EF core values which therefore invalidated the results of the campaign. Furthermore, there is an opportunity for EF to increase brand awareness through Facebook to convey the EF brand image to a larger public. A well-known possibility to do so is using a like & share approach. This encompasses that people are incentivized (with a prize, which can vary every time) to share EF with others, who subsequently are incentivized to 'like' EF and share it with their peers (etc.). For the solution to be effective, it has to fulfil three purposes: 1) It should provide an incentive to like and share to current and potential EF customers (including people that not yet know the brand); 2) The incentive and content of the post should be closely related to EF and the value proposition of the brand; 3) It should be able to run without extensively occupying the workforce. Implementation table provides the details, pilot, costs and results of the solution. Hence, this would significantly increase EF's potential customer base within the best-selling segment.

After tackling the top-value issue, EF should focus on improving the access to distribution channels via **partnerships** (for implementation details see Appendix I – Partnerships). We suggest an “Events” partnership with schools which will bring brand awareness and credibility to EF and activity to Schools in terms of extracurricular development (for more details see Appendix I - Events). The pilot test conducted was Englishman on the Road, an interactive class with a native EF speaker, which was successful (19 out of 25 students showed interest to know more about EF at the end while only 3 were aware of EF in the beginning), see details in Appendix I - Events. Furthermore, we suggest a partnership with schools on the project “EF Corner”, which would bring awareness to EF and would allow them to penetrate schools. This corner would be a sort of a self-learning lab in schools with EF materials (books, video etc.). See details in Appendix I – EF Corner. Another partnership with schools is the Guest Speaker which would be directed to parent’s nights and where EF could communicate its value proposition to parents (education, safety, international development). This would attract potential customers and offer brand awareness and visibility for EF. For details, see Appendix I – Guest Speaker. Finally, EF should make a partnership with the government around the EFSET (English test similar to IELTS or TOEFL which EF offers as a free tool). This would allow the government to track English levels for free, would raise EF awareness and would make the Portuguese more interested in learning English. For implementation details, see Appendix I - EFSET.

### *Evaluation of solutions*

For the sake of clarity, an overview and the ranking of all solutions is provided in the Appendix I – Evaluation of Solutions on a 1-5 scale (with 5 being the most positive), based on cost, timeline, potential increase in conversion, the access needed to key partners, the increase in awareness and the opening it provides for further solutions. Appendix I – Implementation Table

shows a complete, detailed overview of all solutions. Finally, Appendix I–Table of Assumptions shows the assumptions made in the solution overview.

### *Conclusion*

The goal of this report was to analyze and provide recommendations for EF Portugal to improve their access to distribution channels. However, after the due diligence done by our team, it was concluded that the poor access to distribution channels was, in reality, a consequence of a higher level issue – inconsistency in the value proposition for Portuguese customers. Indeed, among the pool of competitors offering a similar product at a lower price, EF's international reputation did not bring a competitive advantage in the Portuguese market, and the conversion rate was deemed to be even lower than in other similar markets in which EF operates. With the low brand awareness, not adapted promotional activities and disregard of main stakeholders, there was room for improvement in terms of competitive position and growth. However, our research suggest that the Portuguese market has matured significantly to allow for such services to prosper, given that people are more and more required to learn foreign languages and realize that the traditional approach does not achieve results of similar quality. Our recommendations attempted to clarify the proposition of value for the customers of EF Portugal, and presented practical solutions as to communicate this value. Finally, we have presented the findings from the testing phase and quantified the benefits for EF Portugal in doing so.

### *Concerns (shortcomings, implementation problems expected)*

These solutions do present some limitations. Due to the lack of financial information (profit margin, costs, revenues), the analysis of solutions in terms of financial feasibility and the overall impact on the profit margin could not be assessed. The solution tests, performed by our team, were limited by the lack of credibility when dealing with stakeholders in the process, which might have underestimated the potential of their application. Another shortcoming identified is making sure that all the stakeholders in the process do understand and transmit the

value proposition, which is an underlying condition for all the other solutions to work. Furthermore, we identified an area of further exploration: *decreasing economic barriers* – currently EF requires the full amount to be paid before the trip starts which significantly limits a portion of the target market, especially if the decision to purchase is too close to the trip date (approximately from 10-30% of pupils are able to afford an EF exchange in most favorable schools).

### *Individual contribution*

I have personally contributed to Context Overview Analysis and identified the value proposition as the top-level issue, which led to poor brand awareness. In terms of solutions, I contributed to the reformulation of the value proposition, pilot testing of partnership Englishman on the Road and AdWords optimization strategy.



## **CHAPTER THREE: THE ACADEMIC DISCUSSION**

This chapter will be dedicated to the **analysis of the international business strategy** of a multinational company such as Education First in a marginal market such as Portugal.

EF belongs to the *centralized exporter* type of the multinational company (see visualization in Appendix I – Centralized Exporter) because it is a “home-country-managed firm which builds upon a tradition of selling products internationally, out of a limited number of (scale efficient) facilities in the home country, and with only minor, usually customer oriented, value-creating activities abroad” (Verbeke, 2013). In this MNE type, the firm-specific advantages are embodied in the products/services, which are themselves based on favorable home-country diamond conditions including local clustering which makes those firms successful in international markets (Porter, 1990). Indeed, the Swiss diamond is very strong: the demand conditions are sophisticated (i.e. Swiss excellence), the company benefits the closeness of related and supporting industries (i.e. high quality HR), factor conditions are favorable (tax rate, government provisions) and the industry rivalry and structure is high which pushes EF to innovate. These conditions pushed EF to home-manage entirely its services offering in Switzerland. Apart from the location advantages (the diamond model), the reason for such a structure are also so-called Non-transferable (location bound) FSAs, which cannot be easily exploited and deployed abroad, and which are very difficult to replicate after having been created in the home country. These could be: stand-alone resources, local marketing knowledge and reputational resources, local best practices, or domestic recombination capability. In the case of EF, they are the network, the brand name, reputation, excellence of educational system, local best practices, which in case of transfer would potentially endanger the reputation and quality. These allowed EF to gain a dominant market share and superior expansion rate in the home market, which translates into the competitive advantage (Hamel & Prahalad, 1990).

In this model, the foreign subsidiaries act as facilitators and multinational activities occur primarily in the downstream end of the value chain, and are related to marketing, distribution and related logistic operations (Verbeke, 2013). This is shown in the way the HQ deals with EF Portugal – i.e. profit margin and cost structure are never revealed to the foreign subsidiaries and they operate based on a specific goal set by the HQ (i.e. number of weeks sold) for which they receive a certain budget for activities (Education First, 2016) which is known as vicious revenue-budget cycle. In other words, EF Portugal takes the role of a purely *implementer type* of the subsidiary (Bartlett & Ghoshal, 1986, 1989) since it is located in a market of lesser importance, meant to generate a rather steady stream of cash flows. In fact, the reason why EF entered Portugal in 1991 in the first place was exactly *market seeking* (Ghemawat, 2001), as the main location advantage of the Portuguese market was the willingness and the purchasing power of the Portuguese, while EF retained strategic control by imposing strong routines that were meant to extract profits.

However, this high strategic control was detrimental to international business strategy because, although EF best practices contribute to economies of scope, the same routines can impede national responsiveness (Reus, Lamont & Ellis, 2015). For EF to be successful, it needed to both exploit the location advantages of the Portuguese market and create/acquire corresponding firm-specific advantages in order to stimulate host country responsiveness (raise brand awareness, create reputation and excellence, create local best practices). In the beginning of EF Portugal, the country did not have many location advantages to exploit (foreign language learning was low, purchasing power was high but substitutes were many). However, nowadays, with the new macro-trends (boom of English language, English Schools, internationalization via tourism, exports and nearshoring, sophistication of Portuguese demand) the location advantages are more visible and allow for creation of location bound firm-specific advantages. The miscommunication of the value proposition for the Portuguese customers is a good

example of the national responsiveness problem in the origin of the access to the predefined distribution channels (i.e. EF's promotional material is pre-made to please a vast audience and is not customized locally to appeal to Portuguese customers which causes a problem in the process). The lack of responsiveness also impeded the value creation through resource recombination (highest-order FSA), which is critical to creating value and satisfying customer demand. Since EF Portugal did not own many bundles of stand-alone resources, NLB FSAs<sup>v</sup> and LB FSAs<sup>vi</sup> they could combine, the rivals were able in the meantime to capture the market.

Kim & Mauborgne emphasize the risk of such a centralized HQ-subsidary approach in which all the important decisions are made at the top, and claim that, for that risk to be mitigated, there has to be an effective two-way communication between the subsidiary and the HQ and the possibility for the subsidiary to challenge dominant views at HQ (Kim & Mauborgne, 1991, 1993). This is why EF Portugal was suggested to communicate with EF HQ in order to invest into value creation through recombination (Verbeke, 2013), as the firm is able to grow by combining in novel ways the existing resources in order to reach an advantage. The needed elements for such a process are: entrepreneurial ability of managers, slack or unused productive resources, and willingness and capacity to let go of some resources embedded in existent FSAs and replace them with resources with higher value creating potential in host environments (Verbeke, 2013).

In order to fully assess the attractiveness of the subsidiary EF Portugal, it could be interesting to explore further the impact of the concept of distance (Ghemawat, 2001). Portugal, although geographically close, is significantly economically and culturally distant from Switzerland and other countries in which EF is booming (Germany, Sweden, France), which must be taken into account when it comes to evaluating the success of EF Portugal in comparison to other EF countries.

## **CHAPTER FOUR: PERSONAL REFLECTION**

In terms of group work and apart from the content provided, I have contributed essentially in terms of *management of the work to be done and the meetings* that took place over the course of last four months. Due to a cultural difference between the team members (nationalities: Canadian French, Portuguese, Dutch and Serbian), the most challenging part was to organize the discussions and make sure that the focus is maintained on the topic, as it was very common to start to dwell into irrelevant issues, which would then take us further away from the main topic. I may say that I contributed to the project staying “on track”, which is mostly due to my time spent in Rotterdam School of Management (the Netherlands), where I learnt how to be time-efficient and concise. Another strength I managed to identify is *critical thinking*, especially in terms of verification of facts and assumptions that were made during the project building. Indeed, in order to provide recommendations about an issue, one must be very critical about all the parts of the puzzle and challenge them individually to verify if the assumptions still hold. Out of the key weaknesses I could identify were *lack of time management skills* and *intolerance to other types of personalities*. As a person who, due to life circumstances at the moment, had to work in parallel with studying, I did have issues in managing properly the time available for the business project, which may have led to inconsistencies in the progress. In retrospect, our academic advisor has correctly pointed out that there was little progress in the beginning of the project, whereas the progress towards the end of the project was rather “exponential”. Another weakness identified is intolerance to other types of personalities. The Portuguese member of the team, for instance, would want to discuss project in details that sometimes were not directly related to the issue we were trying to solve; the Dutch member usually tried to come to a hypothesis quickly and move forward, whereas the Canadian French member would mostly focus on “presentability” of the project rather than onto the real issues behind it. As a person who has already lived in six different countries and whose character was

rather molded to become practical, I did find it difficult to fully let their personalities thrive, which may have caused me to appear as rather impatient and oriented consequently towards an *autonomous work style* in order to reach a certain benchmark in progress.

If I were to do this project again, I would definitely assume the role of the “organizer” from the early beginning, in order to maximize the added value to the project and minimize time waste on irrelevant issues. Nonetheless, as I was working at a company in parallel, I did not manage to do so early on, which is partially a mistake of mine as I failed to correctly estimate the time required for the project. A suggestion for myself would be to be realistic in estimating the time required for the activities I intend to pursue, and not to forget to allow the time for leisure as well. Another area of improvement that I can identify is raising cultural awareness, which I (paradoxically) seem to lack although I have lived in various countries so far. As an explanation I could offer: having been in contact with different cultures, I kept traits of “positive” behaviors and evaded “negative” ones which made me therefore intolerant to the negative traits associated with certain cultures. As a solution to this problem, I could try out some meditation techniques, and I could focus on understanding and listening of others while working with them.

# APPENDIX I - ANALYSIS

## 1. PRODUCT OFFERING


- **Junior courses:** focus on a great life experiences which combine fast language learning with an immersive culture understanding.
- **Language courses abroad, for students and adults:** focus on innovative and flexible language learning with assured progress within a varied possibility of destinations.
- **Career options and long duration programs:** focus on a long-lasting customized and varied learning experience
- **Exam preparation courses:** focus on the preparation for specific exams in English, Spanish, French, German, Italian, Japanese or Chinese.
- **Secondary education abroad:** focus on providing students the opportunity to have their secondary education in the UK or USA.
- **University preparation courses:** focus on providing the foundations for doing the university studies abroad and providing a guaranteed admission in one of EF's partner schools
- **Bachelors, Masters and MBA:** focus on a varied higher education offering within a global assortment of countries available.

For the most popular products, the short and long term language courses abroad for students, the usual package includes: airport transfer; pre-determined number of lessons/creative sessions per week (40 min lessons); accommodation in a EF homestay (or student residence with an additional fee); food plan according to accommodation type chosen; academic and digital material; Progress level examinations; EF course certificate; access to My EF page; EF Fun Packs (activities during the week); EF Discovery Packs (weekend excursions).

Additional options that can also be booked through EF are the following: travel and medical insurance; various upgraded accommodation options in student residences or EF campuses; flight booking service; transportation from home to school; access to internet at home; everyday lunch; other personal expenses.

EF differentiates from country to country in terms of marketing activities, given that each country has its own characteristics that need to be taken into account for effective penetration of EF offering into the local market.

## 2. BUSINESS MODEL CANVAS

<u><b>Key Partners</b></u> <ul style="list-style-type: none"><li>• EF Global</li><li>• Education First Youth Ambassadors</li><li>• Teachers</li><li>• Schools</li><li>• Governments (potential)</li></ul>	<u><b>Key Activities</b></u> <ul style="list-style-type: none"><li>• Language classes</li><li>• Cultural exchange</li><li>• Educational travel</li><li>• Events</li><li>• Different excursions</li></ul>	<u><b>Value Proposition</b></u>    Created in 1965  “Opening the world through education”  Language learning through cultural immersion	<u><b>Customer Relationship</b></u> <ul style="list-style-type: none"><li>• Indirect, unfocused marketing</li><li>• Personal attention before and during journey.</li></ul>	<u><b>Customer Segments</b></u> <ul style="list-style-type: none"><li>• Youth (indirectly parents)</li><li>• University students</li><li>• Long duration participants</li><li>• Companies</li></ul>
<u><b>Key Resources</b></u> <ul style="list-style-type: none"><li>• Full package based on HQ resources</li><li>• Local language centers</li><li>• Banks (potentially)</li></ul>			<u><b>Channels</b></u> <ul style="list-style-type: none"><li>• Schools</li><li>• Universities</li><li>• Teachers</li><li>• Direct (online &amp; offline)</li><li>• Companies</li></ul>	
<u><b>Cost Structure</b></u> <ul style="list-style-type: none"><li>• Cost of organizing and sponsoring events</li><li>• Set-up promotion with teachers</li><li>• General marketing &amp; salesforce</li></ul>			<u><b>Revenue stream</b></u> <ul style="list-style-type: none"><li>• Unknown profit margin</li><li>• Fixed and variable (i.e.: VISA if necessary) structure</li><li>• Package including classes and accommodation</li></ul>	

The model should firstly be designed by matching **customer segments** with EF's value proposition, meaning what value can be added by a company's products and services given a defined target market that needs to be satisfied. As previously mentioned, EF proposes to “open the world through education” by providing a cultural immersive experience to people who want to learn a language in a country where it is originally spoken. Given the potential added value that such proposition involves, customer segments comprehend young kids from ten years old onwards, to employed people in companies. This market is however narrowed by the premium price of EF's products. The customer relationships box basically explores the interactions with EF's clients that are expected to be undertaken during the whole process. This encompasses the consumer decision journey, booking process, product usage and post-product usage. In EF's case, targeted customers are tracked and lured to concretize their initial interest; if a

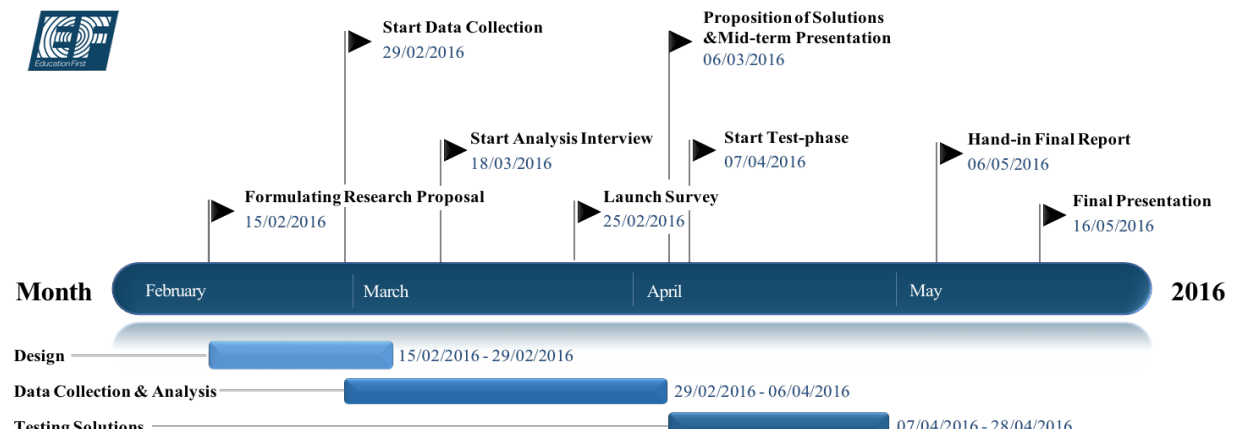
booking is intended, there's then a personal and customized accompaniment of all the process to clarify any possible doubts and concerns; during the stay, the direct client is always assisted and after the experience constantly engaged. The current channels through which clients are reached are the following: schools, universities, teachers, companies and direct targeting of the consumer (online and offline).

The left side of the model takes a look over the **key partners, resources and activities**. EF Portugal doesn't have control over these elements since the learning institutions are not based in Portugal. Therefore, EF Portugal's work is only to attract the client and provide the right accompaniment during the entire process. These three managerial parts of the business model are thus barely under EF Portugal's scope of authority. Next to the resources and partners of the head office, the necessary key partners to properly deliver the proposed value to its customers in Portugal are: teachers, local language centres operated by EF, and all the people organizing the logistics and activities during the programs. Accordingly, classrooms of the education institution have to be seen as a key resource whereas teachers assume a dual facet in the process by being a key resource as well. Additionally, all the possible courses that have already been mentioned under Products (see 1.2) complement the set of resources that EF has in order to provide the best experience to customers. The key activities combine the customer attraction and retention processes in Portugal that have already been described, as well as EF Discovery Packs (weekend excursions) and EF Fun Packs (activities during the week) for which EF Portugal organizes but has no power to alter.

Last but not least, this model allows perceiving what are a company's **fixed and variable costs and how are revenue streams** overcoming those. Having yet no schools in Portugal to receive worldwide EF students, the current cost structure only comprises the customer attraction and retention processes, including the marketing strategies. For EF Portugal specific case, the costs incurred never surpasses the limit in the sense that the Portuguese office operates under an established given budget to cover those expenses, which was not revealed to our team. EF Portugal' goal is to get as much bookings in the most cost-efficient manner. As such, it is also difficult for EF Portugal to perceive individualized margins for the services provided. This restrictive monetizing part of the business model is complicated by the fact that all the fixed, and also variable add-ons, revenue sources are priced by headquarters' guidelines.

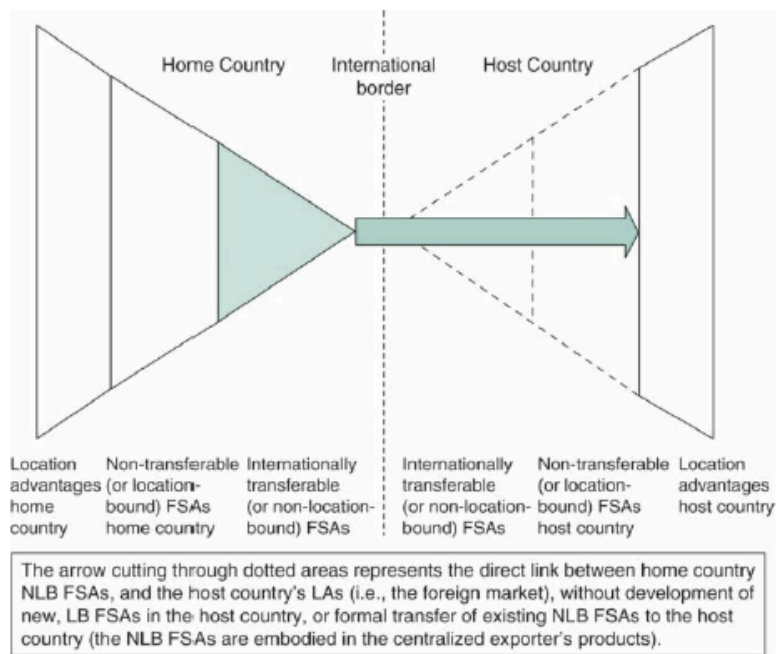


### 3. TIMELINE AND COURSE OF PAPER



*Figure 1: Business project timeline*

### 4. CENTRALIZED EXPORTER MODEL

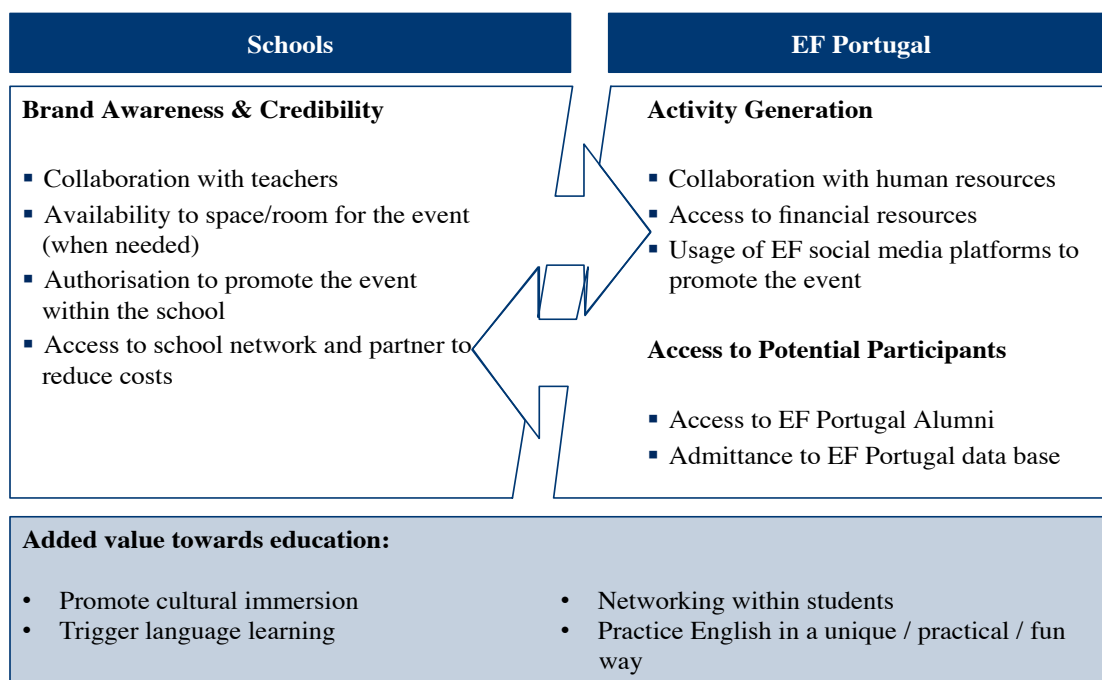


**Figure 1.3** Centralized exporter

## 5. PARTNERSHIPS

EVENTS:

**Main partner: Schools (including teachers and students)**



### Englishman on the Road Pilot

**School:** Escola Secundária do Restelo

**Class teacher:** Professor Luís Sousa

**Class:** 10<sup>th</sup> grade

**Content taught:** Passive voice and reported speech

**English native speaker:** Thomas Weaver

**Origin:** Miami, Florida, USA

**Date:** Friday, May 6<sup>th</sup>, 2016

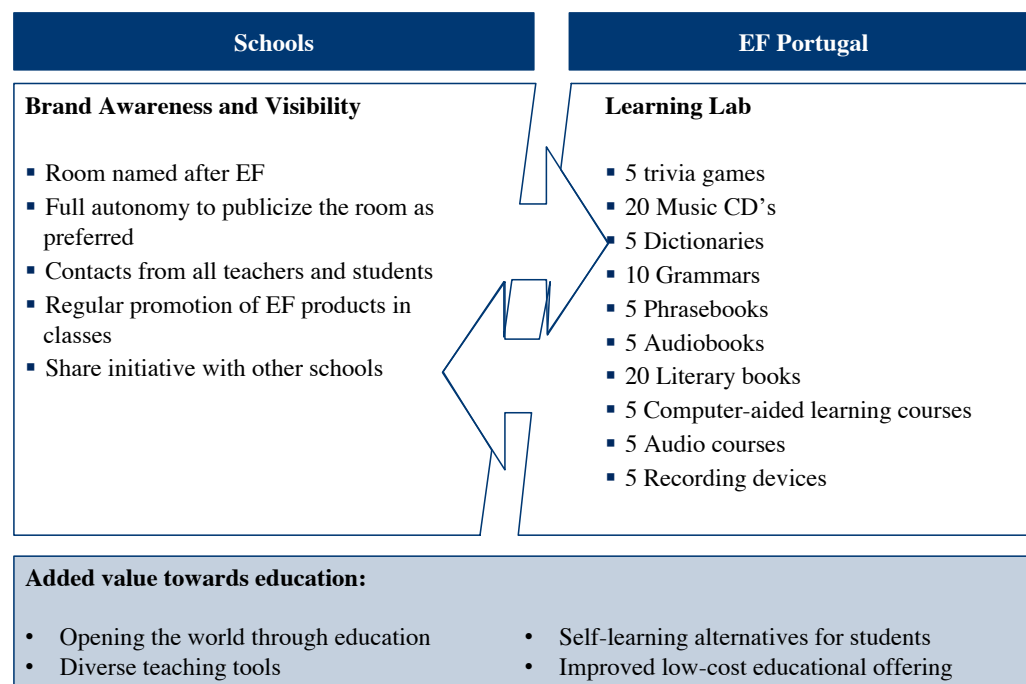


Video of Thomas Weaver teaching English



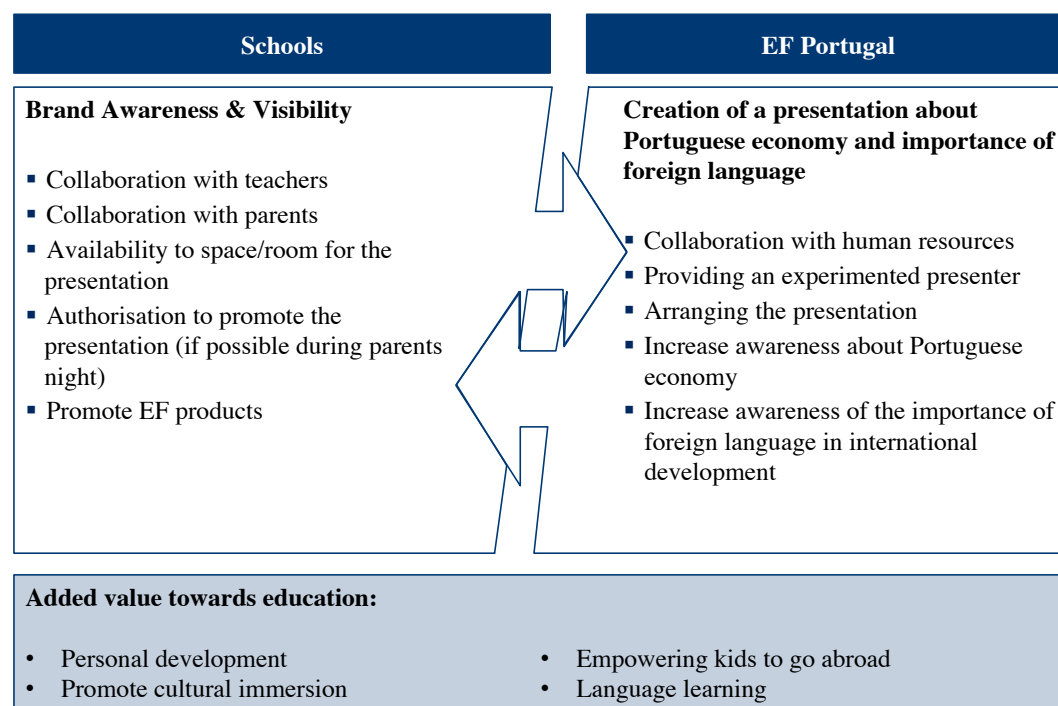
## EF CORNER:

### Main partner: Schools (including teachers and students)



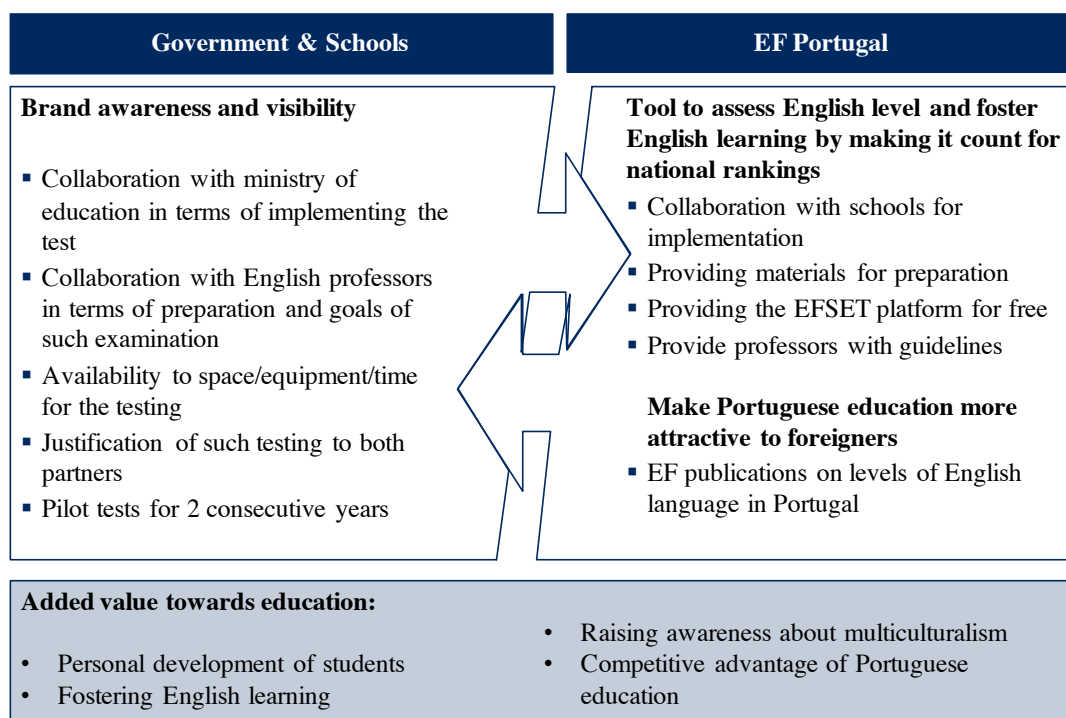
## GUEST SPEAKER:

### Main partner: Schools (including teachers and students) & Parents



EFSET:

**Main partner: Government & Schools**



## 6. EVALUATION OF THE SOLUTIONS

Evaluation : 1 low - 5 high		Cost	Timeline	Increase conversion rate	Access to key partners	Replicable & durable	Increase EF awareness	Opening for follow up	Summary
Advertising	Social Media Campaign Optimization	3	4	1	5	5	5	4	27
	AdWords optimization	5	5	4	5	5	3	4	31
Partnerships	Extra-curriculum activities	3	3	3	3	4	3	4	23
	EF Corner	1	3	3	4	3	4	5	23
	Guest Speaker	4	2	4	4	3	5	2	24
	EFSAT	4	1	3	2	3	4	1	18

## 7. IMPLEMENTATION TABLE (SEE ON NEXT TWO PAGES)

Segment	Solution	Type of the solution	Pilot	Access to Key Partners	Impact	People reached	Estimated costs (€)	Potential returns (weeks)	Cost/Benefit Ratio	Timeline	
EF Junior courses (10 - 12 years old)	Advertising	Social Media Campaign Optimization	To be determined	EF Portugal	Visibility, increasing brand awareness	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined	To be determined	
		Extra-curriculum activities	English man on the road	Schools, professors, native speaker	Visibility and brand awareness, conversion, building credibility	600	4500	120	37,5	Activities would last around 3h. It is recommended to run several workshops in a short-period of time (2 weeks) to increase efficiency and create a mediatic buzz.	
	Partnerships	EF Corner	EF room	Schools (notably the dean)	Visibility and brand awareness, conversion	300	1350	60	80,0	From the creation of the partnership to the operation room, expect 3-4 months. The conversion time should be between 3-6 months.	
		Guest speaker	Parents night	School, professors, teachers	Visibility, brand awareness, knowledge about portuguese reality, importance of foreign language	180	320	18	18	Once the presentation and partnerships with school done, this will require a short/pontual timeline	
	Advertising	Social Media Campaign Optimization	To be determined	EF Portugal	Visibility, increasing brand awareness	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined	Pilot test will run for five days from 30/04/2016 till 04/05/2016	
		AdWords optimization	To test an ad in English for the Portuguese market. The keywords and ad content will mimic the best one in the Portuguese campaign	Diana Galvão, currently based in EF in Zurich, and which is responsible for the creation and implementation of the Google Paid Search for the Portuguese market		To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined		
		Partnerships	Extra-curriculum activities	English man on the road	Schools, professors, native speaker	Visibility and brand awareness, conversion, building credibility	600	4500	180	25	Activities would last around 3h. It is recommended to run several workshops in a short-period of time (2 weeks) to increase efficiency and create a mediatic buzz
			EF Corner	EF room	Schools (notably the dean)	Visibility and brand awareness, conversion	300	1350	72	18,8	From the creation of the partnership to the operation room, expect 3-4 months. The conversion time should be between 3-6 months.
EF SAT	To be determined		Government	Brand awareness, conversion	150000	N/A	75000	N/A	2 years pilot		
EF Junior courses (13 - 16 years old)	Partnerships	Guest Speaker	Parents night	School, professors, teachers	Visibility, brand awareness, knowledge about portuguese reality, importance of foreign language	165	450	26,4	17	Once the presentation and partnerships with school done, this will require a short/pontual timeline	

Segment	Solution	Type of the solution	Pilot	Access to Key Partners	Impact	People reached	Estimated costs (€)	Potential returns (weeks)	Cost/Benefit Ratio	Timeline
Languages courses 16 - 25 years old	Advertising	Social Media Campaign Optimization	To be determined	EF Portugal	Visibility, increasing brand awareness	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined	To be determined
		AdWords optimization	To test an ad in English for the Portuguese market. The keywords and ad content will mimic the best one in the Portuguese campaign	Diana Galvão, currently based in EF in Zurich, and which is responsible for the creation and implementation of the Google Paid Search for the Portuguese market		To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined	Pilot test will run for five days from 30/04/2016 till 04/05/2016
	Partnerships	Extra-curriculum activities	American BBQ	Schools, professors, English speakers	Visibility and brand awareness, conversion	350	1450	28	51,8	The event itself last 4h. The organisation and advertising have to be done one month before the event.
	Advertising	Social Media Campaign Optimization	To be determined	EF Portugal	Visibility, increasing brand awareness	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined	To be determined
Long-term English improvement		AdWords optimization	To test an ad in English for the Portuguese market. The keywords and ad content will mimic the best one in the Portuguese campaign	Diana Galvão, currently based in EF in Zurich, and which is responsible for the creation and implementation of the Google Paid Search for the Portuguese market		To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined by metrics' report that will be sent by Diana Galvão	To be determined	Pilot test will run for five days from 30/04/2016 till 04/05/2016

## 8. TABLE OF ASSUMPTIONS

Segment	Solution	Type of the solution	Pilot	Poeple reached	Estimated costs (€)	Potential returns (weeks)	Cost/Benefit Ratio
EF Junior courses (10 - 12 years old)	Advertising	Social Media Campaign Optimization	To be determined	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined
	Partnerships	Extra-curriculum activities	English man on the road	30 students per class	Teacher 1000E	10% of the 600 students reached book 2 weeks	37,5
				2 classes per school (in 1 day)	EF team 4*150E		
				10 schools	Logistic (hotel, transportation, food) 2900E		
		EF Corner	EF room	30 students per class	90 items	10% of the 300 students reached book 2 weeks	22,5
				10 classes per school	Average cost 15E		
		Guest speaker	Parents night	3 academic years	EF team 4*80E	5% of the 180 parents attending book 2 weeks	18
				30 students per class			
				8 classes per year			
	50% of parents attend Parents night						
				50% of attendees attend the presentation			
EF Junior courses (13 - 16 years old)	Advertising	Social Media Campaign Optimization	To be determined	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined
		AdWords optimization	To test an ad in English for the Portuguese market	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined
	Partnerships	Extra-curriculum activities	English man on the road	30 students per class	Teacher 1000E	10% of the 600 students reached book 3 weeks	25
				2 classes per school (in 1 day)	EF team 4*150E		
				10 schools	Logistic (hotel, transportation, food) 2900E		
		EF Corner	EF room	30 students per class	90 items	10% of the 300 students reached book 3 weeks	18,8
				10 classes per school	Average cost 15E		
		EFSAT	-	150 000 students of 9th grade	N/A	2.5% of students book 2 weeks	N/A
		Guest Speaker	Parents night	2 academic years	EF team 4*80E	8% of the 165 parents attending book 2 weeks	17
				30 students per class			
				8 classes per year			
				1 academic year			
				30 students per class			
				6 classes per year			
				50% of parents attend Parents night			
				50% of attendees attend the presentation			
Languages courses 16 - 25 years old	Advertising	Social Media Campaign Optimization	To be determined	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined
		AdWords optimization	To test an ad in English for the Portuguese market	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined
	Partnerships	Extra-curriculum activities	American BBQ	350 participants	EF team 6*100	8% of the 350 participants book 2 weeks	26
					450E Food		
					250E Audio equipment		
				150E Material (tables, tents,etc)			
Long-term English improvement	Advertising	Social Media Campaign Optimization	To be determined	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined
		AdWords optimization	To test an ad in English for the Portuguese market	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined (Diana Galvão)	To be determined



## APPENDIX II – INTERVIEW TRANSCRIPTS

### 1. TEACHERS INTERVIEWED

#### **Escola Secundária do Restelo**

- Isaura Araújo (Language Coordinator and English Teacher)
- Luís Sousa (English Teacher)
- Esmeralda Ramalhinho (English Teacher)
- Filomena Freitas (English Teacher)
- Isabel Castelo Branco (English/German Teacher)
- Linda David (French Teacher)

#### **Liceu Pedro Nunes**

- Madalena Ferreira (English Teacher)
- Maria Emilia Carvalho (French Teacher)

#### **Faculdade de Ciências Sociais e Humanas – Universidade Nova de Lisboa**

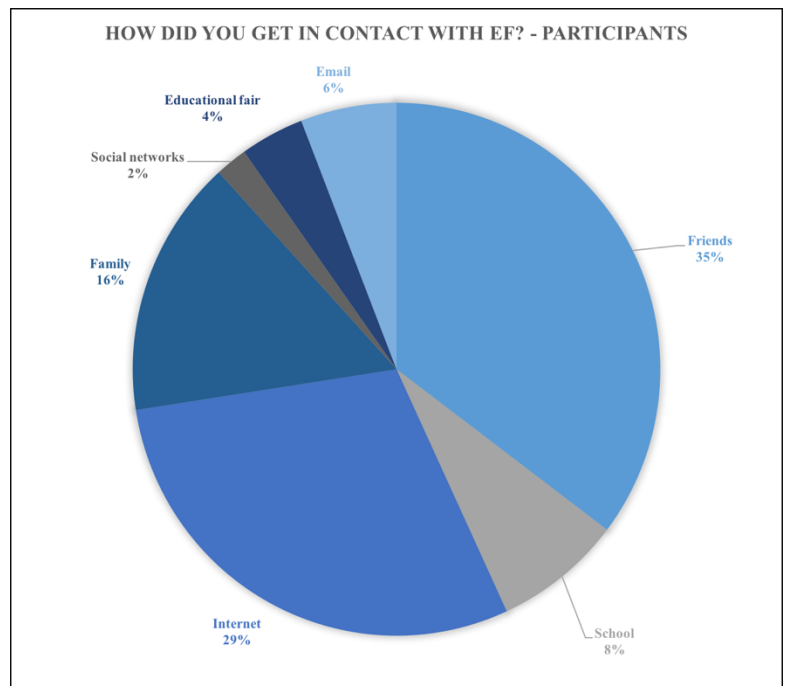
- Raquel da Silva (English Teacher)

### **Interview to Teachers Main Findings**

**According to you, what is the best way to learn a language?**

- “Going to the country where the language is spoken so people can have a true feeling on how to use the language”
- “Live in the country where the language is originally spoken”
- “Cultural immersion”
- “Small classes”
- “In the country where the language is spoken. Being surrounded by the language is always the best way to learn”.

**To what extent do you feel Portuguese schools are maximizing children’s potential to learn a foreign language?**



*Points of contact - Participants*



- “They are not. They are too much attached to grammatical rules and, in my opinion, it diminishes their ability to learn a foreign language.” ICB
- “Not at all, today my students speak worse than 20 years ago.”
- “Kids are not being pushed to the maximum of their possible abilities.”
- “The teaching space is limited.”
- “No. The biggest problem is the number of students/class. It’s very difficult to participate properly and improve your skills in such big classes.”
- “The curriculums are also not good, but they are provided by the Ministry of Education and we have to follow them...”
- “The number of hours per week allocated to foreign language learning is quite short”

**In your perception, what could be done differently?**

- “Not only, give more emphasis to communication but to the right communication.”
- Not just putting students to speak, but giving them true and meaningful contexts in which they could speak the language as if they were in the country where it is originally spoken.”
- “Have less kids per class.”
- “Allocate more hours per week into language learning.”
- “More comprehensive programs.”

**What are the goals set to teachers by the Ministry of Education? (ex: 70% of the students need to have A)**

- “We have an external evaluation taken by the ministry of Education, but it is not dependant of students’ grades.”
- “Not formally. We have to analyse the results every term with our partners but we are not dependant on the students’ grades.”
- “I don’t think teachers should be evaluated based on the students’ grades. I have a class in which I gave no poor mark and another where more than half had a poor mark. And I’m the same teacher!”

**Do you have a say in the way program is designed by the Ministry? Under the guidelines provided, can schools apply different methods for learning?**

- “School lack equipment to allow diverse methods for learning”
- “Teachers have to lecture key topics provided in the guidelines but the way it is thought is dependent on the professors’ choices.”
- “I often advise them to go abroad if they have the opportunity.”

**Do you have an advisory impact on parents’ decisions (contact; influence)? Why? What is, in your opinion the parents’ opinion on going abroad and learning a new language?**

- “We try to recommend because there’s obviously an added value on that but we can only advise, not make the decision for them.”

- “It’s difficult to find the right and trustworthy schools to recommend these courses abroad.”

**Does the school you teach at offer some kind of extracurricular language program to learn a foreign language? (extra classes, trips to foreign countries, exchange programs)**

- “No, we haven’t organized trips to foreign countries yet”
- “We receive foreign students from the AFS program”
- “Speakers’ corner, which are non-paid classes (also optional for students) which focuses on the development of kids’ communication and presentation skills”

**If not, what are the reasons for not doing that? Do you see potential of doing so?**

- “It’s very time consuming for teachers. But it’s also very dangerous in terms of responsibility, and expensive as well.”
- The potential is enormous and kids can develop immensely from those programs.”
- “I definitely see an improvement after students have participated in extracurricular programs”

**Do you maybe partner with a company that offers such a program? Do you (school and teachers; being ambassadors for instance) receive any compensation in return?**

- “We had some partnerships with schools from another countries.”
- “We had the financial support of some European institutions, like Programa Erasmus +, but they cut down on that already”
- “AFS Program. We try to engage them and ask to come and present themselves in our classes. I think local students get motivated and can improve their level by connecting with them”

**What kind of alternatives for extracurricular language programs are you aware of?**

- “Not aware, apart from support classes and variants”

**What do you think is the added value of these programs?**

- “There’s potential and of course an added value on that. Children look for certificates.”
- “The interest in learning is highly based on the existence of a certificate”

**In your opinion, and given your knowledge on the motivation of children to learn the foreign language, how would you design a program to maximize learning potential?**

- “Most important change: reduce number of kids per class”
- “Increase learning hours/week”
- “Equip schools appropriately. You should have in each room with a pc, internet connection, projector...”
- “I still teach in the same conditions as 20 years ago”

**Do you know EF?**

- “I’ve heard of it”
- “I don’t know the specifics”

**If yes, how do you perceive EF brand?**

- “I have never thought about it.”
- “I don’t see them as pushy and commercial. They always send some information and I always recommend them to my students. They only complain that is too expensive. They love everything, but when it comes to the price...”

**Have you recommended EF programs to your students? What was their opinion on the program? Did you notice an improvement in English (or other language) speaking capacity?**

- “I would if I knew the institution well enough”
- “Yes. The learning of the language is certainly important, but is more about the experience”
- “They are not aware of Education First until I tell them”
- “Two students went for a program with EF and they clearly improved for staying some weeks abroad.”
- “Yes, I would recommend. I’ve already done it”
- “If EF wanted to come we would receive them obviously”

**In your opinion, what share of your students would be able to afford an EF product?**

- “I think it depends from what the kids would extract from it. It doesn’t seem reasonably cheap.”
- “Not that many, it’s too expensive.”

**What would make you NOT recommend these programs ? price, security risk, reputation risks?**

- “I think I would feel liable if something didn’t go well and I had recommended the program. Not only regarding security but especially if the language learning didn’t go as expected”
- “Nothing would draw me back for recommending such a program. Nowadays, there are terrorist attacks but you could also be run over by a car. I wouldn’t feel responsible.”
- “If I was too involved in the process, of course I would feel somehow responsible if something happened.”

**Would a compensation incentivize you to be an EF ambassador? If not, what would?**

- “No I wouldn’t. That’s not the way I work. I recommend something if I believe that’s a good thing, without any compensation. If I had the knowledge that it would be a good thing, I would”
- “The compensation would be something extra. I would recommend it for free if I was sure that it would be good”
- “Talking individually to teachers without talking to the school board first would not be ethical”
- “Teachers cannot receive any money and it would also not be very ethical. But if they could provide the school with materials, not money, the school would receive them with open arms. And even if they were coming here without anything to provide the school with, they would be welcomed as well. I have already done so with Information Planet. They would come here with their booklets, give a 2-hour conference, bring a native speaker... and it’s a good thing, I like my students to be aware of these opportunities.”
- “I believe are not allowed to receive a compensation from a private firm when we’re working in behalf of the State. It’s not ethical and for sure not legal. You would be using the Ministry’s resources for the profit of a private company. And I have done it already for free since I thought the programs were good”

## **2. DEAN INTERVIEW MAIN FINDINGS**

**Name:** Júlio Santos (School Dean at Escola Secundária do Restelo)

**Do you currently have any partnership promoting language learning extracurricular activities?**

- “Yes, some initiatives taken by teachers (not partnerships) but not currently inserted in the curricular boundaries.”
- “But I never exclude hypothesis and I have wondered already if these extracurricular learning experiences of different teaching methods shouldn’t be included as well. I believe that is the way to go for schools.”
- “I see them as being indispensable nowadays.”

**Would you see appropriate if a company like EF would talk to teachers in order to promote their services, without having the school board consent?**

- “No, I wouldn’t. I think it should always pass through the management board or me.”
- “People are free to promote what they want but I am the responsible in the end.”
- “If someone is promoting anything to teachers, he is supposedly speaking under the school board authority. It should have my endorsement, as anything said would be of my responsibility.”

**Would you be willing to open any partnership promoting language learning extracurricular activities?**

- “Nowadays, we cannot be closed to partnerships or new education methods.”
- “The outer world is permanently defying schools to improve.”
- “We cannot continue to be distracted and assume that the world is still the same than 20 years ago. The role of schools as well as of teachers has changed.”
- “Some years ago, teachers owned the information. Nowadays, they have to mediate between information and knowledge as everything is at the distance of a click.”
- “As long as it has a pedagogical scope and brings value, I am more than open to any partnership.”
- “The future demands a change in the pedagogical methods and my door is always open to a good opportunity. And if companies feel they can add value to my students, they are more than welcomed to come over.”

**Would you be willing to implement our proposal (EF Corner)? If yes, what would be needed?**

- “Why not? I would always take a look to the proposal. If you get me a written proposition where I can see value, correctly understand the commitments for both parts... I think it should be fruitful for everyone.”
- “I believe that it would depend of the company focus and it’s ethical dimension.”
- “Is their focus on selling a product or a service provision? I would say that the latter should be in what they should focus on.”
- “Of course I would see added value in what you propose and I totally agree with it. It has certainly a slight commercial counterpart but that I wouldn’t deny since it’s not a direct commercial activity in my school.”

**Would the school be willing to be a pilot for our proposal (EFSET Exam)? How do you see it as being different? Do you see added value?**

- “The Cambridge exam did not add value.”
- “It was an additional exam that did not reflect at all students’ abilities and did not go in accordance with what was being taught in the school program.”
- “It lacked credibility. Credibility in terms of being valued for the school and educational system.”
- “The Ministry of Education imposed it and it wasn’t explained to schools. This lack of understanding led to a global rejection.”
- “I don’t see schools could be interested in another exam. They already have an internal and external (by the Ministry of Education) evaluation and there’s no interest in tighten even more the school year.”
- “And even if a company provide a certificate, I don’t see the usefulness of those for kids at this age.”

**I recall in one of my interviews here at the school to talk about the CLIL (Content Language Integrated Learning) that was being thought for implementation in school. Would you see any value if EF participated in the training of teachers?**

- “CLIL is an hypothesis to integrate English in every subject lectured, and at an early stage.”
- “The problem is that it would require extra hours for our English teachers to lecture the other subjects’ teachers on how to appropriately do it.”
- “Of course that I would see with good eyes a certified training for the teachers.”
- “We would have to talk what could be given as a counterpart but surely we could promote their products and publicize the company in the school. Again, I am open to any initiative I feel appropriate to add value to my school and students.”

### **3. PREVIOUS EF USERS**

**Francisca Oliveira e Sousa (NovaSBE Student)**

**In what course did you enroll?**

- Summer Course

**When and where did you participate to an EF experience?**

- Brighton; 2 weeks; Parents really wanted me to go to the UK and I wanted to go to a place with beach. Brighton seemed the best place to go from the pictures in the website; She was about 17 years old (2011).

**Why did you enroll for that specific amount of time? (2 weeks vs 6 months)**

- Consolidate English knowledge; if she was to go again, would have stayed for at least 3 weeks.

**Tell me about your EF experience?**

- Stayed in a family house; knew a lot of people; everything went well; still in contact with 3 foreign friends that met there; didn’t find the amount of class hours enough; would go to classes in the morning by bus; had lunch around university; had a lot of free time; during the afternoon, she would go sightseeing.

**How did you hear about EF?**

- By chance; made a quick search on Google about English courses abroad and it was the first one to show up.

**Tell me about your enrollment process (from the first contact)?**

- She and her mom went to the office and were perfectly briefed about everything.

**What were the drivers to enroll with EF?**

- She wanted to consolidate her English skills..

**Have you considered other providers/alternatives (i.e.: erasmus, travelling) than EF?**

- No, she firstly came across EF and was happy with their offerings.

**How did you perceive the brand EF?**

- It seems to be a young and international brand; being certified by british Council gives them a solid background.

**Tell me about customer service.**

- There were some things that she had to pay extra (laundry, for instance) that she assumed it would be included; she had to buy some expensive books which she only used for two weeks.

**What do you value the most (Learning a language; being abroad; living an unique experience; other)**

- Living an unique experience; live the culture and meet foreign people.

**Would you recommend EF?**

- Yes, although she didn't learn a lot in-class, the experience was great and would do it again.

**What would you change/modify about your EF experience or their offerings?**

- Did not learn a lot; first week was reallocated two times for other classes and end up losing too much time; she would definitely stayed more time; avoid having to pay some unexpected (although marginal) expenses.

**Were you contacted after your experience?**

- Not directly, only receives the brochures frequently.

**Have you enrolled more then once? If yes, why? If not, have you done something similar with another competitor?**

- No, only one. No, nothing similar with a competitor.

**Ania Kalinowska (NovaSBE Student)**

**In what did you enroll?**

- Summer course; twice.

**When and where did you participate to an EF experience?**

- 2 weeks in Barcelona; 14 years old; 2006
- 2 weeks in Malaga; 19 years old; 2011

**Why did you enroll for that specific amount of time? (2 weeks vs 6 months)**

- She had other trips booked and that was the maximum she could go; She treated it more as a holiday with the bonus of learning a language.

**Tell me about your EF experience?**

- Attended classes in the morning; sightseeing; youth parties in the evening; attended some EF activities.

**How did you hear about EF?**

- She got aware of EF as her older sister had already attended several EF courses.

**Tell me about your enrollment process (from the first contact)?**

- All clear; it was a pretty easy process; most of it was online but before going visited the office for final clarifications.

**What were the drivers to enroll with EF?**

- Going abroad; opportunity to meet foreign people; learning Spanish.

**Have you considered other providers/alternatives (i.e.: erasmus, travelling) than EF?**

- Yes, she did an English course in Malta with a competitor in between the two EF courses done.

**How did you perceive the brand EF?**

- In Portugal, the company is not popular at all.

**Tell me about customer service.**

- First time, parents did it for her so she couldn't give much details; she enrolled herself for the second time and it was everything really straightforward and automatic.

**What do you value the most (Learning a language; being abroad; living an unique experience; other)**



- Living an unique experience; meet foreign people.

**Would you recommend EF?**

- Yes, although she didn't learn a lot in-class (her fault since learning a language wasn't the main priority), but she had a great time there; she felt that everything was well organized, the employees were really friendly, facilities were great and the whole concept was awesome.

**What would you change/modify about your EF experience or their offerings?**

- I liked a lot how the classes were taught; diverse topics and ways of teaching; teachers were young and energetic; changed groups twice in the first week as the class assigned to her didn't match her level.

**Were you contacted after your experience?**

- She is still contacted; receives weekly emails.

**Have you enrolled more then once? If yes, why? If not, have you done something similar with another competitor?**

- Yes, enrolled for a second time; she considered she had a great first experience and wanted to repeat it again at an older age: She did go for a course with a competitor between the two EF courses done; the reason for choosing the alternative provider was that, when considering, her friends were already going to Malta with this different company and she ended up going with them.

## **APPENDIX III – SURVEY QUESTIONS**

*Please note that a distinction was made between parents and students. The differences between the questions were solely related to the proper framing. That is why only the questions for parents are included below.*

1. Who are you? - Quem é você? \*

- Parent - Pai/Mãe/tutor legal
- Student - Aluno
- Parent

2. How many kids do you have? - Quantos filhos tem? \*

3. How many of your kids participated in an EF course? - Quantos dos seus filhos realizaram um curso com a EF? \*

4. How many times (in total) did your kids participate in an EF course? - Quantas vezes é que os seus filhos fizeram um curso com a EF? \*

5. How did you get in contact with EF? - Como é que entrou em contacto com a EF? \*

- Friends - Amigos
- Family suggestion - Sugestão familiar
- School - Escola
- Educational fair - Feira de educação
- Internet
- Email
- Social networks - Redes Sociais

6. Did you consider alternatives (besides the EF)? - Considerou outras alternativas? \*

Yes - Sim

No – Não

7. If you answered YES to the previous questions, which alternatives did you consider? – Se você respondeu sim às perguntas anteriores, que alternativas você considerou?

8. Who took the initiative to contact EF? - Quem tomou a iniciativa de contactar a EF? \*

- Yourself - Você
- Your children - O seus filhos

9. Who took the final decision? - Quem tomou a decisão de se inscrever no curso EF? \*

- Yourself - Você
- Your children - O seus filhos

10. How were the course(s) your children participated in paid for / financed? - Como é que pagou pelo curso? \*

- My children paid for the course themselves - Os nossos filhos pagaram por eles
- We as parents paid for the course - Nós pagámos pelo curso
- We as parents took a loan to pay for the course - Pedimos um empréstimo para pagar o Curso

*Please indicate to what extent did you value the importance of the following indicators in choosing for Education First. Por favor, indique quanto valorizou os seguintes indicadores ao escolher a Education First.*

11. Price of the course - Preço do curso \*

12. Duration of the course - Duração do curso \*

13. Paying for the full package without having extra costs later on - Pagar por tudo incluído sem custos adicionais \*

14. The possibility to pay in installments - Possibilidade de pagar a prestações \*

15. Safety of your child(ren) during their stay abroad - Segurança do(s) seus filhos durante a estadia no estrangeiro \*

*Listed below are a couple of possible motives for your children to take part in an EF course. Please indicate how important each motive was for you. - Em baixo, encontra uma série de motivos considerados para o seu filho participar num curso com a EF. Por favor, indique, quanto importante cada motivo foi para si.*

16. The opportunity to learn a new language - Oportunidade de aprender uma nova língua \*

17. The experience of living in a different country with different cultures - A experiência de viver num país diferente com culturas distintas \*

18. Having a great experience and meeting new friends - Ter uma experiência incrível e conhecer novos amigos \*

19. My child(ren)'s friends were participating in the same program - Os amigos do(s) meu(s) filho(s) iam participar no mesmo programa \*

20. To enrich my CV - Para enriquecer o meu CV \*

21. Networking - Para criar uma rede de contactos \*

22. If you think about EF, what is the first thing that comes to mind? - Se pensar na EF, qual é a primeira coisa de que se lembra? \*

23. If you had to pick one of the following words to describe EF, which one describes EF in the best way? - O que lhe chama mais a atenção quando pensa na marca EF? \*

- Travel - Viagem
- Experience - Experiência
- Education – Educação

24. How would you perceive the relationship price paid - quality of your EF experience(s)? - Como avalia a relação preço pago/qualidade da experiência EF dos seus filhos?

25. How would you perceive the relationship price paid/experience of your EF experience(s)?

26. How would you evaluate the quality of EF's customer service? - Quão satisfeito está/esteve com o apoio ao cliente? \*

27. Would you like to have been contacted during your child(ren) experience? - Gostaria de ter sido contactado durante a estadia do seu filho?

28. How likely are you to recommend Education First to others? - Recomendaria um programa da EF a outras pessoas? \*

29. How likely is (are) your child(ren) to take part in another EF program? /Qual a probabilidade de os seus filhos realizarem outro curso com a EF? \*

30. If you could change anything about your child(ren) the EF experience/EF product offers, what would it be? - Se pudesse mudar alguma coisa na experiência dos seus filhos com a EF/nos produtos da EF, o que mudaria?

31. Would you like to add/comment on anything we didn't approach? - Gostaria de comentar algo que não foi abordado no questionário?

*Thank you for filling in our survey!*

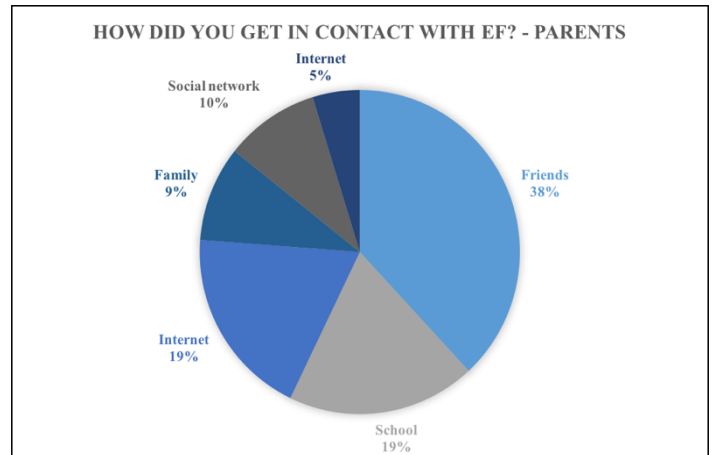
## APPENDIX IV – SURVEY ANALYSIS

*Below, a short summary is provided about the survey results, including demographics and main insights for the parent and student segments. In total, 72 people filled in the questionnaire, of which 29% parents and 71% students.*

### **PARENTS**

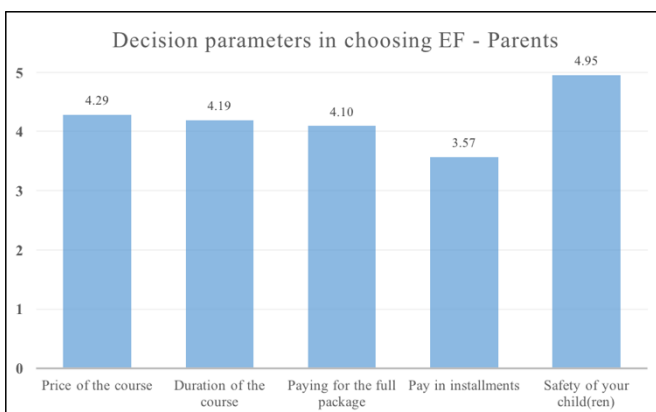
- The parents that filled in the survey on average have 1,9 children. Out of the 21 responses, 38% has indicated that their child did not yet participate in an EF course.

- References from friends (38%) and Internet and schools (both 19%) were the main points of contact for parents.

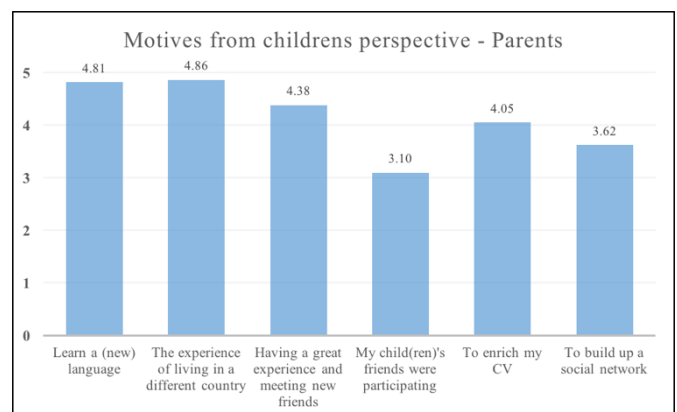


*Points of contact - Parents*

- Initiative taking and decision making:** In 86% of the cases, parents were the initiative takers for taking an EF course. Also, 84% of the parents also took the final decision to send their child abroad. In all cases, parents paid for the entire course.
- When choosing for Education First Portugal, safety is considered the most important decision parameter. Paying in instalments is considered least important, but still considerably high. See the graphs below for more details.
- From their children's perspective, parents think learning a new language and having a good experience abroad are the main reasons to participate in an EF course..



*Decision parameters - Parents*

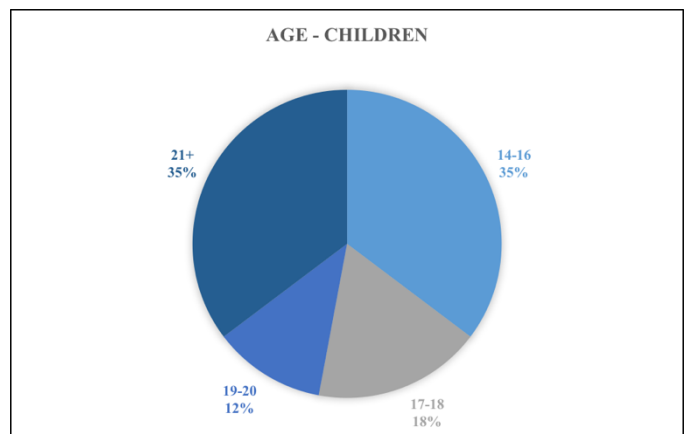
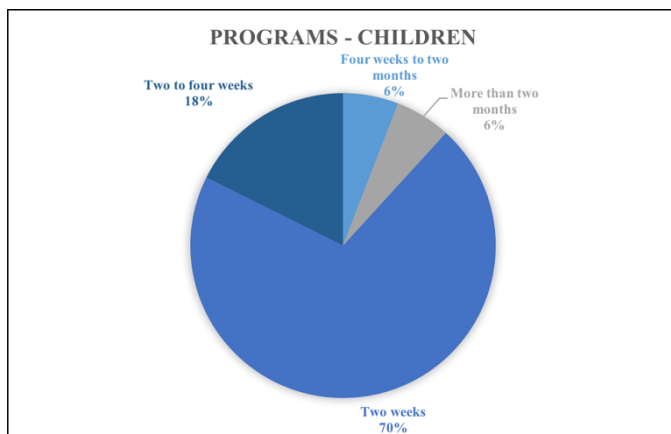


*Children's perceived motives - Parents*

- In both the open and closed questions, more than 80% of the parents associate EF primarily with education. Experience and safety are also mentioned a few times.
- When asked about the perceived quality and experience of the EF courses, the price/quality score is **3,6/5**, whereas the price/experience score is higher (**3,9/5**). The customer service of EF scores highest with **4,1/5**.
- A net promoter score is calculated for both recommending EF to friends, and taking part in an EF course another time. The NPS is calculated by taking the percentage of promoters (that indicated the likelihood of recommendation with a 9 or 10 out of 10), and lower this score with the percentage of detractors (score between 0 and 6). The NPS for customer retention is negative (-14%) and therewith critical. However, the NPS for recommendations is positive with +24%.
- Finally, when asked about potential or desired changes, most answers relate to specific situations (such as host families or transfers). Price is the most mentioned factor.

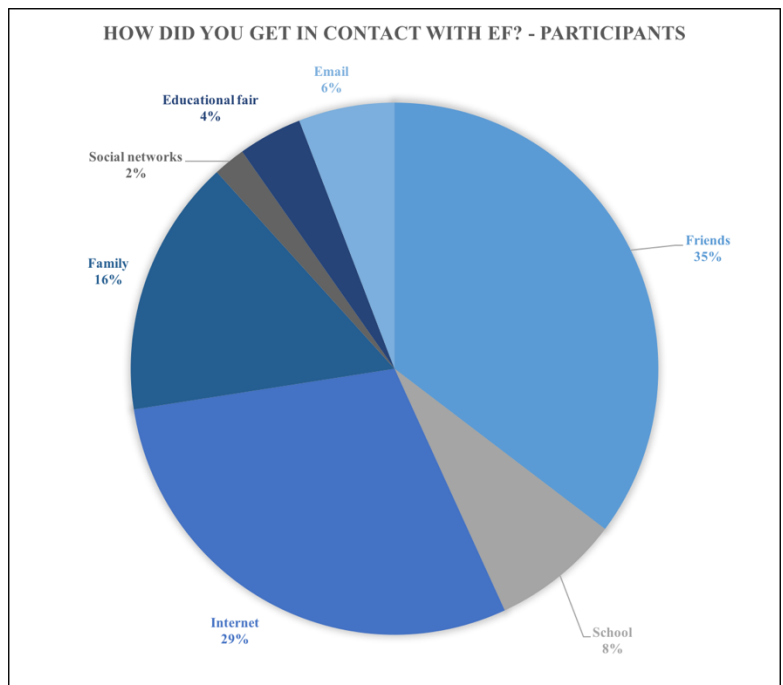
## PARTICIPANTS

- The two biggest respondent groups have the age of 14-16 (35%) and 21+ (35%). The program that was most popular is the two-week summer program. See the graphs below for more details. Of all respondents, 47% already attended the course.

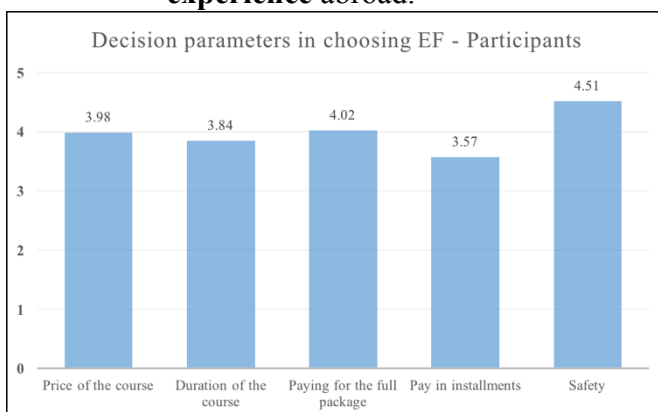


*Demographics - Participants*

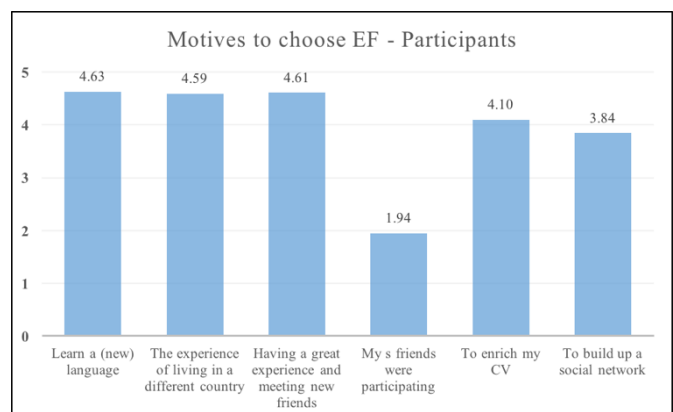
- References from friends (35%), Internet (both 29%) and family (16%) were the main points of contact for participants.
- Next, only 23% of the participants indicated to have searched for alternatives. There is no specific group that looked for alternatives more intensively.
- Initiative taking and decision making:** These results differ from the parent segment. Namely, 82% and 86% of the participants indicated to have taken the initiative and decision, respectively.
- Payments:** Of all participants, in 65% of the cases, the course was financed by their parents. The other 35% paid the course themselves (29% savings and 6% took a loan).
- No important differences exist between the decision parameters. The only thing that sticks out (again) is the need for safety with a score of 4,5/5. With regards to motives, learning a new language and the experience of living abroad and meet new friends score all high. Participation of friends scores low. For more information, see the graphs.
- One of the biggest contrasts with the parent segment are the brand and program associations. Whereas parents associate EF with **education**, children (<21 years old ; >90%) mainly associate EF with having a good **experience** abroad.



*Points of contact - Participants*

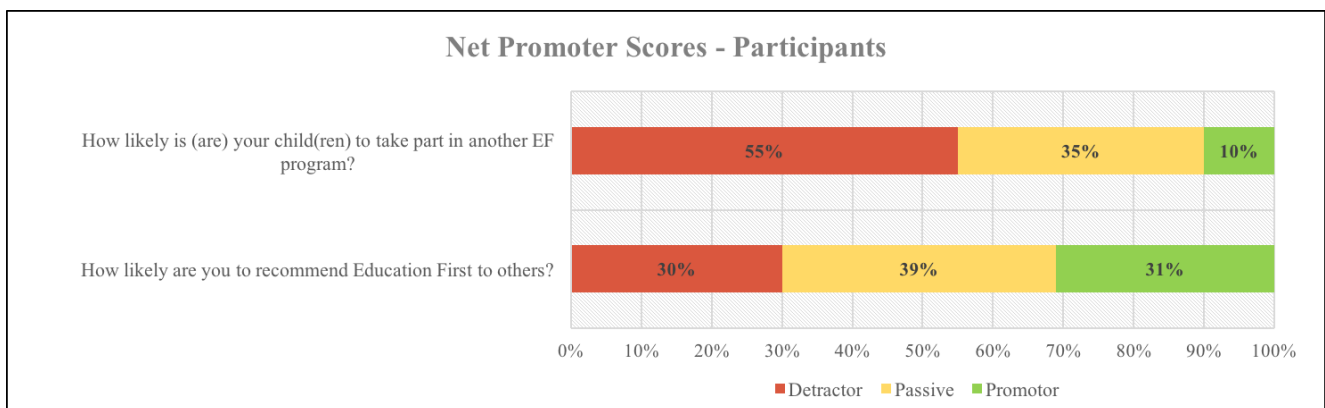


*Decision parameters - Participants*



*Children's perceived motives - Parents*

- When asked about the perceived quality and experience of the EF courses, the price/quality score is **3,6/5**, whereas the price/experience score is higher (**3,8/5**). The customer service of EF scores highest with **4,2/5**.
- Figure X shows the calculations for the Net Promoter Score in the participant segment. NPS for retention scores a very low -45%. NPS for recommendations scores positive, but minimal with 1%. See figure X for more details.
- Finally, 67% of all participants that already participated became an EF ambassador. This was mainly to score points or share the experience (only 10% commented).



*Net Promoter Scores - Parents*



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<sup>i</sup> <http://www.tvi24.iol.pt/sociedade/eurostat/portugal-e-o-pais-com-pior-taxa-de-ensino-de-lingua-estrangeira>

<sup>ii</sup> <http://www.ft.com/cms/s/0/440e4c36-9713-11e3-809f-00144feab7de.html>

<sup>iii</sup> <http://www.dn.pt/portugal/interior/portugal-entre-os-paises-que-oferecem-mais-linguas-nas-escolas-4787701.html>

<sup>iv</sup> Please note that EF has already introduced a similar initiative. However, the guest speaker was mainly used to stimulate the ambition for children, rather than involving key stakeholders (such as parents and schools).

<sup>v</sup> Non-location bound firm-specific advantages

<sup>vi</sup> Location-bound firm-specific advantages